

PM	Description	Region	Month	CLEC	SWBT	Benchmark	Z-Value	Result
PM 65	UNEs - Trouble Report Rate - 5.0 dB Loop with Test Access	DFW	Aug	2.3%	0.7%		6.71	No
			Sep	1.5%	0.7%		3.49	No
			Oct	2.9%	0.7%		9.21	No
			Nov	1.5%	0.7%		3.63	No
			Dec	2.2%	0.7%		6.87	No
PM 65	UNEs - Trouble Report Rate - 5.0 dB Loop with Test Access	HS	Aug	1.0%	0.8%		0.31	
			Sep	1.7%	0.8%		2.33	No
			Oct	3.8%	0.8%		8.56	No
			Nov	1.0%	0.8%		0.55	
			Dec	1.3%	0.6%		2.25	No
PM 65	UNEs - Trouble Report Rate - 5.0 dB Loop with Test Access	ST	Aug	1.3%	0.7%		1.66	No
			Sep	1.4%	0.6%		2.16	No
			Oct	0.3%	0.6%		(0.75)	
			Nov	1.7%	0.6%		3.47	No
			Dec	0.7%	0.6%		0.55	
PM 65	UNEs - Trouble Report Rate - BRI Loop with Test Access	CWT	Aug	n/a	2.1%		< 10 obs	
			Sep	0.0%	2.4%		(0.71)	
			Oct	6.7%	2.6%		1.71	No
			Nov	16.1%	2.0%		9.13	No
			Dec	25.0%	2.4%		15.73	No
PM 65	UNEs - Trouble Report Rate - BRI Loop with Test Access	DFW	Aug	0.0%	3.1%		(1.20)	
			Sep	4.2%	3.1%		0.54	
			Oct	6.0%	2.8%		2.02	No
			Nov	4.0%	2.6%		1.19	No**
			Dec	16.6%	2.7%		10.91	No
PM 65	UNEs - Trouble Report Rate - BRI Loop with Test Access	HS	Aug	0.0%	3.7%		< 10 obs	
			Sep	0.0%	2.7%		< 10 obs	
			Oct	8.1%	2.4%		2.23	No
			Nov	17.2%	2.4%		9.20	No
			Dec	20.6%	2.2%		18.64	No

PM	Description	Region	Month	CLEC	SWBT	Benchmark	Z-Value	Result
PM 65	UNEs - Trouble Report Rate - BRI Loop with Test Access	ST	Aug	8.7%	3.3%		1.43	No
			Sep	0.0%	3.0%		(0.98)	
			Oct	0.0%	3.1%		(1.14)	
			Nov	0.0%	2.7%		(1.19)	
			Dec	9.8%	2.6%		3.50	
PM 65	UNEs - Trouble Report Rate - DSL	DFW	Sep	0.0%	4.6%		(0.68)	No
			Oct	3.4%	8.0%		(1.26)	
			Nov	3.6%	4.6%		(0.62)	
			Dec	7.8%	5.2%		2.20	
PM 65	UNEs - Trouble Report Rate - DSL	HS	Sep	0.0%	11.9%		< 10 obs	No
			Oct	2.3%	9.3%		(1.50)	
			Nov	3.4%	8.4%		(2.25)	
			Dec	7.8%	4.3%		3.18	
PM 65	UNEs - Trouble Report Rate - Analog Trunk Port	DFW	Aug	0.0%	0.7%		< 10 obs	No
			Sep	10.0%	0.7%		3.56	
			Oct	0.0%	0.7%		(0.36)	No
			Nov	11.1%	0.7%		5.47	
			Dec	0.0%	0.7%		(0.34)	
PM 65	UNEs - Trouble Report Rate - Analog Line Port	CWT	Aug	n/a	0.8%		< 10 obs	No No No**
			Sep	0.0%	0.5%		< 10 obs	
			Oct	22.2%	0.7%		13.43	
			Nov	13.0%	0.5%		13.57	
			Dec	1.9%	0.4%		1.59	
PM 67	UNEs - Mean Time to Restore (Hours) Dispatch - 5.0 dB Loop with Test Access	DFW	Aug	13.32	4.20		9.80	No
			Sep	5.28	3.81		1.64	No**
			Oct	9.84	4.87		1.98	No
			Nov	3.49	4.33		(0.60)	No
			Dec	6.07	3.98		2.59	
PM 67	UNEs - Mean Time to Restore (Hours) Dispatch - DSL	DFW	Sep	n/a	4.85		< 10 obs	No
			Oct	14.61	7.13		< 10 obs	
			Nov	9.83	7.33		< 10 obs	
			Dec	15.68	5.23		7.02	

PM	Description	Region	Month	CLEC	SWBT	Benchmark	Z-Value	Result
PM 67	UNEs - Mean Time to Restore (Hours) Dispatch - DS1 Loop with Test Access	HS	Aug	15.52%	3.1%		< 10 obs	No
			Sep	n/a	16.32%		< 10 obs	
			Oct	6.62%	3.76%		< 10 obs	
			Nov	2.74%	4.00%		< 10 obs	
			Dec	6.98%	2.69%		5.27	
PM 69	UNEs - % Repeat Reports - 5.0 dB Loop with Test Access	DFW	Aug	6.5%	12.3%		(0.98)	No No**
			Sep	10.0%	10.3%		(0.05)	
			Oct	20.5%	10.5%		1.98	
			Nov	20.0%	11.4%		1.19	
			Dec	10.3%	11.5%		(0.19)	
PM 69	UNEs - % Repeat Reports - BRI Loop with Test Access	CWT	Aug	n/a	10.3%		< 10 obs	No
			Sep	n/a	12.6%		< 10 obs	
			Oct	0.0%	12.0%		< 10 obs	
			Nov	0.0%	16.6%		(1.66)	
			Dec	29.0%	13.5%		2.34	
PM 69	UNEs - % Repeat Reports - BRI Loop with Test Access	HS	Aug	n/a	15.0%		< 10 obs	No
			Sep	n/a	15.0%		< 10 obs	
			Oct	0.0%	14.0%		< 10 obs	
			Nov	43.8%	12.6%		3.64	
			Dec	7.8%	14.7%		(1.36)	
PM 70	Trunks - % Trunk Blockage	HS	Aug	13.53%			12.53	No
			Sep	14.04%			13.04	No
			Oct	0.0%			(1.00)	
			Nov	0.12%			(0.88)	
			Dec	8.28%			7.28	No
PM 71	Trunks - Common Transport Trunk Blockage (% of Trunk Groups w > 2% Blockage)	ST	Aug	4.84%		3%	1.84	No
			Sep	0.0%			(3.00)	
			Oct	4.69%			1.69	No
			Nov	3.23%			0.23	
			Dec	3.13%			0.13	

PM	Description	Region	Month	CLEC	SWBT	Benchmark	Z-Value	Result
PM 73	Trunks - % Missed Due Dates	HS	Aug	3.6%	3.9%		(1.39)	
			Sep	10.7%	6.9%		8.52	No
			Oct	9.8%	5.1%		14.54	No
			Nov	15.5%	0.6%		34.61	No
			Dec	6.6%	5.5%		3.35	No
PM 74	Trunks - Average Delay Days for Missed Due Dates	CWT	Aug	2.0	48.7		(12.98)	
			Sep	8.6	76.9		(8.19)	
			Oct	10.5	106.8		(34.02)	
			Nov	28.4	19.4		12.51	No
			Dec	6.6%	65.3		(19.99)	
PM 74	Trunks - Average Delay Days for Missed Due Dates	ST	Aug	99.8%	16.1%		129.32	No
			Sep	13.4%	10.5%		4.28	No
			Oct	34.8%	85.2%		(10.09)	
			Nov	56.2%	68.9%		(1.95)	
			Dec	73.9%	50.5%		8.67	No
PM 75	Trunks - % SWBT Caused Missed Due Dates > 30 Days	DFW	Aug	3.0%		No More Than 2%	0.96	No*
			Sep	0.1%			(1.89)	
			Oct	8.3%			6.34	No
			Nov	0.2%			(1.81)	
			Dec	2.0%			0.02	
PM 75	Trunks - % SWBT Caused Missed Due Dates > 30 Days	CWT	Aug	0.0%		No More Than 2%	(2.00)	
			Sep	0.0%			(1.96)	
			Oct	3.1%			1.09	No*
			Nov	6.3%			4.34	No
			Dec	0.0%			(2.00)	
PM 75	Trunks - % SWBT Caused Missed Due Dates > 30 Days	ST	Aug	10.8%		No More Than 2%	8.79	No
			Sep	0.5%			(1.50)	
			Oct	1.8%			(0.18)	
			Nov	5.6%			3.64	No
			Dec	7.1%			5.07	No

PM	Description	Region	Month	CLEC	SWBT	Benchmark	Z-Value	Result
PM 94	LNP - % FOCs Received within 5 Hours - LEX - Res. and Simple Bus. LNP Only (1-19)	CO	Aug Sep Oct Nov Dec	92.3% 88.9% 89.4% 93.3% 96.4%		95%	2.66 6.15 5.64 1.67 (1.41)	No No No No
PM 94	LNP - % FOCs Received within 5 Hours - LEX - Res. and Simple Bus. with Loop (1-19)	CO	Aug Sep Oct Nov Dec	90.1% 85.8% 87.6% 91.5% 93.2%		95%	4.91 9.21 7.41 3.55 1.78	No No No No No
PM 94	LNP - % FOC Received within 24 Hours - LEX - Complex Business (1-19)	CO	Aug Sep Oct Nov Dec	95.3% 93.8% 89.5% 94.5% 98.7%		95%	(0.33) 1.17 5.47 0.47 (3.67)	No** No No*
PM 94	LNP - % FOC Received within 24 Hours - LEX - Complex Business (50+)	CO	Aug Sep Oct Nov Dec	100% 58.1% 71.0% 90.9% 91.9%		95%	(5.00) 36.94 24.03 4.09 3.11	No No No No
PM 94	LNP - % FOC Received within 24 Hours - EDI - Res. and Simple Bus. with Loop (1-19)	CO	Aug Sep Oct Nov Dec	100% 80.6% 73.7% 59.8% 77.7%		95%	< 10 obs 14.42 21.34 35.21 17.32	No No No No
PM 94	LNP - % FOC Received within 48 Hours - EDI - LNP with Loop (20+)	CO	Oct Nov Dec	66.7% 88.9% 75.0%		95%	< 10 obs < 10 obs 20.0	No
PM 95	Average Response Time for Non-Mechanized Rejects Returned with Complete and Accurate Codes (Hours)	CO	Nov Dec	9.4 6.1		5 Hours	4.43 1.13	No No*

PM	Description	Region	Month	CLEC	SWBT	Benchmark	Z-Value	Result
PM 100	LNP - Average Time of Out of Service for LNP Conversions (Minutes)	CO	Aug	5.4		60	(54.65)	
			Sep	64.0		Minutes	4.04	No
			Oct	65.4			5.44	No
			Nov	9.0			(50.99)	
			Dec	8.9			(51.07)	
PM 101	LNP - % Out of Service Less Than 60 Minutes	CO	Aug	99.1%		96.5%	(2.63)	
			Sep	84.4%			12.08	No
			Oct	86.6%			9.88	No
			Nov	99.8%			(3.34)	
			Dec	99.2%			(2.65)	
PM 104	E-911 - Average Time Required to Update 911 Database	CO	Aug	0.2	5.7		(8.49)	
			Sep	1.2	6.3		(7.76)	
			Oct	9.3	30.6		(1.68)	
			Nov	8.0	6.8		1.67	No
			Dec	7.4	25.6		(1.62)	
PM 114	Coordinated Conversions - % of Premature Disconnects - LNP with Loop	HS	Aug	0.60%		No More Than 2%	(1.40)	
			Sep	0.12%			(1.88)	
			Oct	0.00%			(2.00)	
			Nov	2.60%			0.60	No*
			Dec	0.37%			(1.63)	
PM 115	Coordinated Conversions - % of SWBT Caused Delayed Coordinated Cutovers - LNP with Loop	ST	Aug	0.0%		8%	(8.00)	
			Sep	0.0%			(8.00)	
			Oct	0.0%			(8.00)	
			Nov	70.0%			62.0	No
			Dec	3.6%			(4.43)	
PM 116	Coordinated Conversions - % of Missed Mechanized INP Conversions - % Later than 30 Minutes	CWT	Aug	0.0%		No More Than 8%	< 10 obs	
			Sep	n/a		Later than 30 Minutes	< 10 obs	
			Oct	45.6%			37.59	No
			Nov	12.8%			4.82	No
			Dec	90.5%			82.46	No

PM	Description	Region	Month	CLEC	SWBT	Benchmark	Z-Value	Result
PM 116	Coordinated Conversions - % of Missed Mechanized INP Conversions - % Later than 60 Minutes  % Later than 2 Hours	CWT	Aug	0.0%		No More Than 2% Later than 60 Minutes	< 10 obs	No
			Sep	n/a			< 10 obs	
			Oct	45.6%			43.59	
			Nov	12.8%			10.82	
			Dec	81.9%			79.91	
						OR		
			Aug	0.0%		No More Than 1% Later than 2 Hours	< 10 obs	No
			Sep	n/a			< 10 obs	
			Oct	45.6%			44.59	
			Nov	12.8%			11.82	
			Dec	61.6%			60.63	
PM 116	Coordinated Conversions - % of Missed Mechanized INP Conversions - Overall	CW	Aug	0.0%		8%	< 10 obs	No
			Sep	n/a			< 10 obs	
			Oct	48.53%			44.59	
			Nov	12.82%			11.82	
			Dec	90.85			82.46	



**D**





UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION

SOUTHWESTERN BELL TELEPHONE  
COMPANY,

Plaintiff,

vs.

AT&T COMMUNICATIONS OF THE  
SOUTHWEST, INC., *et al.*,  
Defendants.

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Civil Action No. A-98-CA-197-SS  
(CONSOLIDATED)

**SOUTHWESTERN BELL TELEPHONE COMPANY'S  
CONSOLIDATED RESPONSE TO THE INITIAL BRIEFS  
OF AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.  
AND OF MCI TELECOMMUNICATIONS CORP.  
AND MCIMETRO ACCESS TRANSMISSION SERVICES, INC.**

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August 24, 1998

The matters upon which the appeals of AT&T and MCI focus involve highly fact-bound questions about specific ways in which the PUC chose to implement the interconnection process. If, as AT&T and MCI necessarily assume in their appeals, the PUC has properly applied the 1996 Act on more central questions, the points that AT&T and MCI raise on appeal are within the PUC's discretionary authority over the methods to be adopted to implement interconnection. Southwestern Bell has challenged more fundamental, central aspects of the PUC's decisions: AT&T and MCI focus on relatively minuscule debates about specific details of the PUC's methods of implementing the fundamental decisions that SWBT has challenged.

## **II.**

### **RESPONSE TO AT&T'S CONTENTIONS**

AT&T has briefed two issues where it alleges the PUC's decisions violate the 1996 Act: service initiation charges associated with the provisioning of service with UNEs and one specific "input" (the distribution cable fill factor) that the PUC used in setting TELRIC prices for unbundled local loops. As shown below, neither of AT&T's complaints has merit.

#### **A. The various service initiation charges associated with starting UNE service, about which AT&T complains, do not violate the 1996 Act**

AT&T focuses on four non-recurring charges: the Central Office Access Charge ("COAC"), the Analog-Loop to Switch-Port Cross-Connect Charge (the "Cross-Connect Charge"), the Two-Wire Analog Loop Charge (the "Loop Charge") and the Analog Line Port Charge (the "Port Charge"). AT&T Br. at 5. Each charge is levied when AT&T initiates UNE-based service for a customer, but only when AT&T requests that SWBT deliver the requested elements in a combined form. The charges are "non-recurring" because they are assessed only at the start-up of service and relate to actions associated with starting service, not ongoing costs.

SWBT's proposed charges were based on the premise that UNEs would be ordered separately and then combined, and used a probabilistic cost method in calculating the charges attributable to initiating service through UNEs to weight the likelihood of a required action and its costs. *See* Vol. 32B, 10-7-97 Tr. 624-630 (Deere) (describing UNE provisioning as starting with "just the pair of wires hanging out there by themselves at this point" and subloop elements that require some action to combine them); *id.* at 697-98 (Deere) (describing a UNE as "a piece that can be sold by itself"); *id.* at 675-76 (Moore) (explaining that treating each UNE as a "stand-alone element" is consistent with allowing, for example, an unbundled loop to be used for whatever purpose the LSP wishes to use it).<sup>9</sup>

AT&T took the opposite tack, assigning probabilities of 0% to virtually every service start-up action, on the premise that UNE service would always consist of "as is" conversions and thus would never require anything other than a computer record change showing the customer's new service provider.<sup>10</sup>

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<sup>9</sup> *See also* Vol. 32B, 10-7-97 Tr. 635-38 and 644-46 (SWBT and LSP witnesses debating treatment of travel time, loop conditioning to reduce signal loss, FDI subloop, cross connections, order flow-through and equipment failures); *id.* at 667-68 (Deere) (describing testing cost as based on an average derived from probability weighting); Vol. 32C, 10-8-97 Tr. 1029 (Loehman) ("In some instances there won't be any physical labor to cross connect ... and in some instances there may be a need to rearrange the ...") (testimony interrupted)). SWBT's cost studies also recognized that work is sometimes required even on facially simple service orders. *E.g.*, Vol. 32B, 10-7-97 Tr. 703-04 (Deere) (describing how changes in customers' circumstances may require physical changes in network configuration).

<sup>10</sup> AT&T argued for "perfect world" charges that assumed no work would be required, so that, as its own witness stated, "we have a lot of zeros in there" for service initiation charges. Vol. 32B, 10-7-97 Tr. 633 (Parker); *id.* at 635 (Parker) (travel to customer premises was assigned probabilistic likelihood of zero); *id.* at 671 (Parker) (stating AT&T's assumption that "the only activities [associated with establishing UNE service] is unbundling," not any work to create a combination). AT&T at other times reached a "zero" rate through another unfounded assumption, that the cost of a stand-alone UNE should include all costs arising from combining the UNE with other UNEs. *E.g.*, *id.* at 677-78 (Ankum) (the TELRIC cost of a loop means a "loop that's ready to be used" to provide service); *id.* at 715 (Ankum) (TELRIC loop price should include  
(continued...))

AT&T's other tactic for reducing service initiation charges to zero approaches an admission that AT&T is seeking "phantom unbundling" -- that is, resale by another name. On this theme, AT&T contends that its service orders for "as is" conversions of customers to a purported UNE-based service cannot involve any work because already-connected elements should not be uncombined. From this, AT&T argues that its service orders will therefore always involve only "'hypothetical' costs associated with 'hypothetically combin[ing]' network elements." AT&T Br. at 5.<sup>11</sup>

By December 1, 1997, the PUC had adopted the view that SWBT had agreed (and thus could be required) to do the work of combining; the question of what would be charged for providing combinations remained open. On that day, the PUC's ALJ reported how the PUC Staff

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<sup>10</sup>(...continued)  
combining activities such as the cross-connects and other connections "in place, engineered, furnished and installed"). The PUC rejected AT&T's contention that UNE prices already included charges for connecting UNEs. Vol. 43, 12-17-97 Tr. 132-33 (Chairman Wood stating that these UNE-connections charges did not "double count [] what's already included in the rates" and Commissioner Walsh agreeing with this statement).

<sup>11</sup> AT&T claims to be quoting Chairman Wood (from Vol. 40, 12-1-97 Tr. 33) when AT&T argues that these charges are always hypothetical. Elsewhere, AT&T purports to quote its own witness in making similar claims. AT&T Br. at 11 & 13, n.9 (representing Oct. Hrg. AT&T/MCI Ex. 5 'at 40 as stating that certain connections always already exist). In both instances, AT&T misstates the record by suggesting that its arguments (about combining activities being purportedly hypothetical) somehow carried the day. AT&T's own witness limited the cited testimony to a problem-free "as is" conversion "where the end-user is simply being converted from SWBT to LSP service" (*id.*), and Chairman Wood's comments were, more fully quoted, "as ... laid out in the Staff recommendation ..., and I think it's consistent with the way the [Eighth Circuit] has ruled, that the individual nonrecurring charges for each of the unbundled parts do[] reflect the labor that Bell takes to either actually or hypothetically combine the elements to deliver a packaged service. ... I think what the court has made clear is that whether it's actual hypothetical [*sic*] is kind of not our concern." Vol. 40, 12-1-97 Tr. 33 (emphasis added). AT&T similarly distorts the testimony of Jon Loehman, claiming that he testified that "SWBT simply asserted that the COAC compensates [SWBT] for certain 'translations'" (AT&T Br. at 12-13), when in fact the same passage AT&T cites states that the COAC covers "additional work in the central office ... if there was translation work or any work that was done in the central office other than that" (Vol 32C, 10-8-97 Tr. 1036) (emphasis added).